

ORDINANCE NO. 00055

STATE OF SOUTH CAROLINA) AN ORDINANCE TO GRANT TO
) SOUTH CAROLINA ELECTRIC & GAS
) COMPANY, ITS SUCCESSORS AND
) ASSIGNS, AND OTHER SUBSIDIARIES OF
) SCANA CORPORATION, THE RIGHT,
) POWER, AND AUTHORITY TO ERECT,
) INSTALL, MAINTAIN, AND OPERATE
) IN, OVER, UPON AND UNDER THE
) STREETS, ALLEYS AND PUBLIC PLACES
) OF THE TOWN, ITS LINES, WIRES,
) GAS PIPES AND SERVICES,
) COMMUNICATION CABLES, POLES, GUYS,
) PUSH BRACES, TRANSFORMERS AND
) APPURTENANT FACILITIES, TOGETHER
) WITH ANY NECESSARY RIGHT OF ACCESS
) THERETO, AS MAY BE NECESSARY OR
 COUNTY OF CHARLESTON) DESIRABLE TO RENDER ELECTRIC AND
) GAS UTILITY SERVICE TO ITS
) CUSTOMERS IN THE TOWN OF MOUNT
) PLEASANT, SOUTH CAROLINA;
) TO SET THE AMOUNT OF FRANCHISE
) FEE TO BE PAID BY SOUTH CAROLINA
) ELECTRIC & GAS COMPANY TO THE
) TOWN; TO LEVY FRANCHISE FEES ON
) THIRD PARTIES SELLING ELECTRICITY
) OR NATURAL GAS USING SCE&G'S
) ELECTRIC DISTRIBUTION OR
) TRANSMISSION SYSTEM; AND TO
) PROVIDE FOR THE ESTABLISHMENT OF A
) FUND AND SPECIAL FRANCHISE FEE
) DISTRICTS FOR PROVIDING FINANCING
) FOR NON-STANDARD ELECTRIC UTILITY
 TOWN OF MOUNT PLEASANT) PROJECTS

WHEREAS, Mount Pleasant Town Council desires to grant South Carolina

Electric and Gas a Franchise pursuant to the above-captioned and terms stated herein.

APR 10 2019

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Councilmembers of the Municipality of Mount Pleasant, in Council assembled, that the following Franchise is hereby adopted:

Section 1

Wherever the word "Company" appears in this Ordinance, it shall designate and refer to the South Carolina Electric & Gas Company, a corporation duly authorized and doing business pursuant to the laws of the State of South Carolina and its successors and assigns.

Section 2

The non-exclusive right, power and authority is hereby granted and vested in the Company to erect, install, maintain and operate in, over, under, and upon the streets, alleys, bridges, rights-of-way and other public places of the Town, its lines, wires, gas pipes and services, communications cables, poles, guys, push braces, transformers and other appurtenant facilities, with any necessary right of access thereto; and to use those facilities to conduct an electric and gas utility business within the corporate limits of the Town.

Section 3

No street, alley, bridge, right-of-way or other public place used by the Company shall be obstructed longer than necessary during its work of construction or repair, and shall be restored to the same good order and condition as when said work was commenced. No part of any street, alley, bridge, right-of-way, or other public place of the Town, including any public drain, sewer, catch basin, water pipe, pavement or other public improvement, shall be damaged. However, should any such damage occur due to

Company's failure to use due care, the Company shall repair the same as promptly as possible, and, in default thereof, the Town may make such repairs and charge the reasonable cost thereof to and collect the same from the Company. The Company shall save the Town harmless from all liability or damage (including judgment, decrees, and legal court costs) resulting from its failure to use due care in the exercise of the privileges hereby granted or of its rights under this Section.

Section 4

The Company shall:

A. Construct and extend its electric distribution system within the present and/or extended Town limits and shall supply standard electric service at standard voltages under rates and general terms and conditions as authorized by law; and construct and extend its gas distribution system to new customers within the limits of the Town, and shall furnish gas, if available, to the Town and its applicants residing therein upon request, provided that the Company determines that the amount of gas to be furnished has an adequate and reasonable return on the investment necessary to supply gas service.

B. Install underground electric distribution in all new residential subdivisions of the Town under terms and conditions customarily applicable with respect to aid to construction.

C. Furnish, install, operate, and when called upon, expand and maintain all of the street lighting system and service along the streets, highways, alleys and public places of the Town, as said system may be hereafter installed and/or changed by order of the Town, in accordance with the terms and provisions of this franchise. All materials furnished shall be of standard quality and kind, and the lamps shall be in conformity with

the requirements of this franchise and shall meet the requirements of good street lighting practice.

D. Properly maintain the street lighting system.

E. Provide reliable street lighting service from dusk (one-half hour after sunset) to dawn (one-half hour before sunrise) each night during the franchise period, and for other times or occasions of darkness, the total number of hours per year to equal approximately four thousand (4,000) hours of lighting.

F. Make changes in the location of installed lamps and facilities covered by this franchise upon written order of the Town.

G. Render to the Town on or about the first day of each month a bill for the street lighting service furnished hereunder during the preceding month, in accordance with the provisions of this franchise.

H. Maintain at its own expense a system for repairing or renewing the lamps in use. The Company, upon receiving official notice that there is a defective standard lamp, shall within three days put the same in order or replace same.

I. Annually submit its capital expansion and construction plans and its right of way clearing and cleaning plans to the Town. The Company will cooperate with the Town to minimize the aesthetic impact of tree trimming, and will notify the Town of any non-emergency tree trimming needs that may arise that could impact the public rights of way.

J. Comply with the requirements of the MOUNT PLEASANT CODE OF ORDINANCES, as they now exist or as they may from time to time be enacted or amended, including but not limited to the following: encroachment permit requirements,

tree protection requirements, Design Review Board review and requirements, zoning and building code requirements.

Section 5

The Town shall:

A. Pay monthly, within twenty-five (25) days after receipt, a proper bill from the Company for the preceding month's service in accordance with the amounts provided for in this franchise.

B. Accept the street lighting system as it exists on the effective day of this franchise.

C. Pay to the Company for street lighting service according to the rate schedule approved by the South Carolina Public Service Commission in effect at the time, said rate schedule in its present form being attached hereto as Exhibit A and made a part hereof.

D. Notify the Company in writing of areas annexed into the Town and provide pertinent maps and tax map numbers so that newly annexed customers may be subject to franchise fees, such notification being a precondition to franchise fee payments on those accounts.

Section 6

The Company may supply any form of gas containing approximately one thousand (1,000) BTU's per cubic foot, and its obligation in respect thereto shall continue only so long as it is able to obtain an adequate supply of such gas satisfactory for service hereunder, PROVIDED, HOWEVER, that in the supply of such gas the Town shall enjoy equal rights with respect to other areas served by the Company.

Section 7

The Town and the Company agree that:

A. All work performed within the municipal limits by the Company or its contractors shall be in accordance with the MOUNT PLEASANT CODE OF ORDINANCES and all other applicable standards, regulations, ordinances and electric safety codes, as they now exist or as they may from time to time be enacted or amended.

B. The records of the Company pertaining to the street lighting system are to be accepted as full and final proof of the existence and configuration of the same, that system being hereinafter referred to as the "Street Lighting System."

C. Where lighting units of a different type and character than those now included in the lighting system are desired by the Town, a new lamp unit charge and specification shall be agreed upon which will apply to such lighting units and which thereafter shall become a part hereof.

D. Except as otherwise provided herein, the Town shall have the right at any time to order the installation of new lamps.

E. The Town shall have access at all reasonable times to all maps, records, and rates relating to the street lighting system in the Town.

F. The Town agrees that it will purchase from the Company all electricity and natural gas required by the Town for municipal purposes including traffic signal lighting, lighting and power for public buildings, pump stations, wells, or other installations now owned or hereinafter constructed or acquired by the Town and located in the Town limits. In the event that applicable laws or conditions should be changed so as to grant the Company's retail customers in the Town limits the right to purchase

energy from alternative suppliers, the Town will have the right under this franchise to purchase energy from alternative suppliers. If the Town elects to purchase a portion of its energy requirements from alternative suppliers, then the Company may apply to the South Carolina Public Service Commission for authority to change such terms and conditions as are regulated by the SCPSC at that time and under which energy is provided to the Town facilities that are not transferred to an alternative supplier.

G. The Company shall charge and the Town shall pay to the Company monthly for all electric and gas energy furnished by the Company for miscellaneous light and power service under this franchise in accordance with rates and tariffs and terms and conditions as established by law or by contract.

H. None of the electric energy furnished hereunder shall be sold, disposed of, or exchanged by the Town to others without the express written consent of the Company.

I. The electric and gas energy furnished hereunder is not guaranteed or warranted to be free from minor interruptions or from major outages or power surges beyond the control of the Company.

J. The Company agrees to support the Town in its efforts to pursue important objectives such as annexation, economic and community development, and growth planning, and will work with the Town to achieve the Town's goals.

K. The Company agrees to make available its programs, assistance or services at cost-effective rates to better promote and enhance the Town.

L. Nothing in this franchise ordinance shall be deemed to restrict the right of the Company to apply to the SCPSC for any lawful rate relief relating to the costs of complying with any requirements imposed by THE MOUNT PLEASANT CODE OF

ORDINANCES or any other applicable municipal requirements referred to in Sections 4.J., 7.A., and 8 hereof that the Company claims exceed the costs of providing standard facilities or service. However, nothing in this franchise ordinance shall be construed to imply that the Town agrees that the granting of any such rate relief is justified or to restrict the right of the Town to intervene in any such docket in the SCPSC and to oppose the granting of any such rate relief. PROVIDED, HOWEVER, that in the event the Town and the Company agree on a case-by-case basis that any such cost is non-standard, the Town and the Company may agree to finance such cost pursuant to the Non-Standard Service Fund established in Section 14 hereof.

Section 8

All work upon the streets and public places of the Town shall be done under the general supervision of the Mayor and Council of the Town, or their designee, and will be done in full compliance with all zoning, planning, and permitting procedures and reasonable requirements of the Town and all Town ordinances relating to utility siting and construction and right of way control and maintenance on public property, public streets and rights of way, as they may now exist and as they may from time to time be enacted or amended. All sidewalk or street pavements or street surfaces which may be displaced by reason of utility construction work shall be properly replaced and re-laid to their original condition by the Company, its successors and assigns, to the reasonable requirements of the Mayor and Council of the Town.

Section 9

A. As payment for the right to use the streets and public property within the Town to provide electric service, and such other services as may be permitted in the

succeeding calendar year, the Company shall pay into the treasury of the Town, on or before the first day of July each year, beginning with the year 2001, a sum of money equal to three percent (3%) of the gross revenue accruing to the Company from all residential, commercial, general service (excluding industrial), farm, church, and school classes of sales and/or distribution of electricity in the municipality during the preceding calendar year and all wheeling, transportation, or distribution service to such customers within the corporate limits of the Town, not including gas sales made under legally authorized special sales programs which allow the Company to reduce prices to meet customers' competitive energy prices. The franchise fee percentage and the class of customer sales to which the percentage applies (excluding industrial) may be changed by the Town Council by amendment to this Ordinance upon one hundred twenty (120) days written notice to the Company; however, the franchise fee shall not exceed five percent (5%) unless it exceeds that amount by operation of the Non-Standard Service financing provisions of Section 14 hereof. The Town shall have the right, on request, to be provided information relating to energy sales and revenue within the municipal limits to determine the accuracy of franchise fee payments.

B. Any products or businesses and other revenues accruing to the Company in the Town, other than through energy sales, may be subject to further franchise fees and/or business license taxes as may be appropriate. Otherwise, the franchise fee provided for herein shall be in lieu of all occupation, license, excise, or special franchise taxes, or similar taxes or fees by whatever name, except ad valorem taxes on property. The Company may at its option pay and deduct from its franchise fee payments any

amounts due to it from the Town for electricity, gas or other goods or services supplied to the Town by the Company.

C. It is understood by the Town that the franchise fee imposed hereunder shall be passed through to and collected from customers within the municipal boundaries by the Company to the extent permitted by applicable orders of the South Carolina Public Service Commission.

D. The Town hereby levies, and the Company may collect and transmit to the Town, a franchise fee on the same sales and percentages of electricity sold by third parties to customers within the Town using the Company's lines, or facilities. Said fee is to be in all respects equivalent to the franchise fees established herein plus a proportional share of all other payments to the Town that the Company is obligated to make on whatever basis during the life of this franchise.

E. Should the Town itself at any time construct, purchase, lease, acquire, own, hold, or operate an electric or gas distribution system to provide such service within the Town in competition with the Company (except municipally owned backup or support services for its own facilities, such as generators), then the payment of the franchise fee herein provided to be paid by the Company shall abate, cease and no longer be due.

Section 10

The non-exclusive electric franchise granted by this ordinance, when accepted by the Company, shall constitute a contract between the Town and the Company, and shall be in force and effect for an initial term of twenty (20) years, and shall continue in force and effect from year-to-year thereafter until properly terminated by either party. Either

party may terminate the contract at the end of its initial twenty (20) year term, or at any time thereafter, by giving written notice of its intention to do so no less than two (2) years before the proposed date of termination. It is understood and agreed that the decision of whether to renew or to terminate this franchise pursuant to this Section shall be made by those elected officials then in office under such circumstances as may then obtain.

Section 11

Notwithstanding the provisions of Section 10, the Company and the Town agree that at the request of either party, the franchise terms are subject to renegotiation without the repeal of the basic rights and responsibilities contained herein if any of the following should occur:

- (a) If the Town has commenced proceedings under applicable law to acquire the electric properties of the Company by passing an ordinance declaring its intention to do so and having completed hearings before the South Carolina Public Service Commission pursuant to applicable state law, or
- (b) If legislative restructuring of the electric industry has resulted in open access for retail electric customers in South Carolina.
- (c) In the event that the Town acquires the electric distribution facilities of the Company through a negotiated purchase of those properties, then this franchise will terminate upon the transfer of the facilities from the Company to the Town.

Section 12

This franchise is subject to the constitution and laws of the State of South Carolina.

Section 13

This Ordinance shall not become effective until accepted in writing by the Company, which shall be within thirty (30) days from the date of its ratification by the Town.

Section 14

A. In addition to the requirements of Section 9 above, the Town may choose the right to require the Company to provide underground or other non-standard service to existing customers including the use of special equipment or facilities, the use of special landscaping or screening of facilities, and the undergrounding of new and existing transmission lines and existing distribution lines within the Town limits ("Non-Standard Service"). The cost of Non-Standard Service is defined as that portion of the cost that exceeds the cost of the equivalent standard service. Underground service to new customers, whether residential or commercial, shall not be included in the definition of Non-Standard Service.

B. Each year the Company shall designate to the Fund an amount equivalent to fifty basis points (0.50%) applied to the Company's gross revenue from electric service authorized in Section 8, that being the same amount of electric revenue that is used in computing its municipal franchise fee payment for that year ("The Company Match"). This designation shall occur simultaneously with the payment of franchise fees for the year in question and shall be in addition to the franchise fee. The Company Match funds shall remain on deposit with the Company and be paid out by the Company on a one to one basis with the Town's matching funds as needed to defray costs of Non-Standard Service. Unexpended amounts of the Company Match not used in a given year shall

remain designated to the fund, provided that the amount of Company Match designated to the fund shall never exceed the sum of the matches for the most recent five (5) years.

C. The Town shall designate as the Town's matching funds an amount equal to fifty basis points (0.50%) applied to the electric revenue subject to franchise fee charges for that year. The Town's matching funds shall remain on deposit with the Town and be paid out on a one to one basis with the Company's matching funds to defray the cost of Non-Standard Service. Unexpended fund balances will carry over from year to year, provided that the amount of the Town's match designated to the fund shall never exceed the sum of the matches for the most recent five (5) years.

D. For any Non-Standard Service project involving more than twenty-five (25) existing customers, the Town may designate a special franchise fee district wherein Non-Standard Service will be provided, and at its option may conduct a referendum or petition in that district to determine whether the project should go forward. Upon approval, a special franchise fee surcharge shall be applied to all customer accounts for electricity within the boundaries of the special franchise fee district. The special franchise fee surcharge shall be applied beginning with the commencement of the project for a definite time not to exceed ten (10) years. Proceeds shall be paid into the fund provided that the fund has paid for the construction of the Non-Standard Service within the special franchise fee district. If the Town or the Company advanced funds for the Non-Standard Service, the franchise fee surcharge shall be used to monthly reimburse the Town or the Company as appropriate. The cost of borrowing funds to pay for the Non-Standard Service shall be included in the reimbursement. The Company's weighted

average cost of capital as filed with the South Carolina Public Service Commission would apply to any amounts advanced by the Company.

E. The amounts designated for the fund shall be used exclusively to defray the reasonable and necessary costs of planning, designing, permitting, and constructing of Non-Standard Service projects.

F. Costs for Non-Standard Service projects shall be paid from amounts designated to the fund as incurred. The Company shall be required to undertake non-standard service projects only to the extent that balances designated to the fund are reasonably projected to be adequate to cover the costs of the projects as they are incurred; provided, however, the Town may designate funds in addition to the Town's matching funds through grants, special tax district financing, or otherwise, in order to make a Non-Standard Service project financially feasible.

G. The Town shall establish, in consultation with the Company, priorities for Non-Standard Service projects. All non-standard service projects shall conform to good utility practices as to reliability and safety.

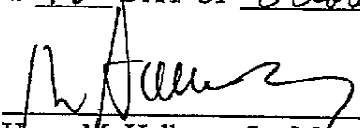
H. The Town shall use best efforts to acquire all necessary rights-of-way, transformer sites, or other use and access rights for Non-Standard Service projects. Within three (3) months of completion of an overhead to underground conversions project, the Company shall remove overhead facilities and the Town shall require other utilities to remove their facilities from the Company's poles and shall require property owners to connect to underground facilities.

Section 15

The rights hereunder accrue exclusively to the parties, their successors and assigns. It is the express intent of the parties that this agreement shall not create any rights in third parties.

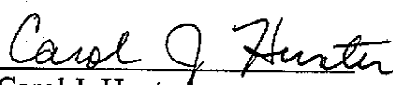
This Franchise shall be effective on November 1ST, 2000.

SIGNED, SEALED AND DELIVERED THIS 10th DAY OF October, 2000.



Harry M. Hallman, Jr., Mayor
Town of Mount Pleasant

ATTEST:

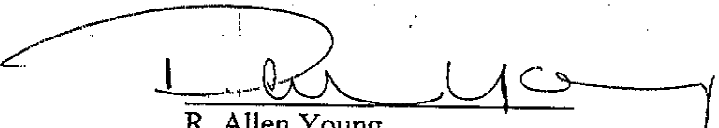


Carol J. Hunter
Clerk of Council

October 10, 2000
Mount Pleasant, SC

Introduced: Sept 12, 2000
Final Reading: Oct .10, 2000

APPROVED AS TO FORM:

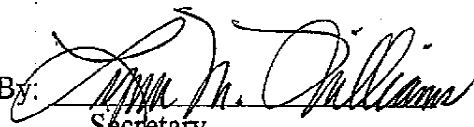


R. Allen Young
Town Attorney


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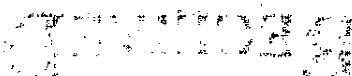
ACCEPTANCE OF THE ELECTRIC SERVICE franchise granted by the within Ordinance acknowledged by South Carolina Electric and Gas Company, this 1st day of November, 2000.

ATTEST:

By: 
Secretary

SOUTH CAROLINA ELECTRIC
AND GAS COMPANY

By: 
Its: _____



CLP # 1169
RCVD CRO60303101

ORDINANCE NO. 08058

STATE OF SOUTH CAROLINA)	AN ORDINANCE TO AMEND
)	PARAGRAPH A OF SECTION 9 OF
)	THE SCE&G FRANCHISE, INCREASING
COUNTY OF CHARLESTON)	THE FRANCHISE FEE FROM 3% TO 5%
)	AND ADDING A PROVISION FOR THE
)	PAYMENT OF "GAS" SERVICE
TOWN OF MOUNT PLEASANT)	AND SALES

WHEREAS, on October 10, 2000 the Town of Mount Pleasant (Town) passed Ordinance No. 00055 granting a Franchise to the South Carolina Electric & Gas Company (SCE&G); and

WHEREAS, on November 1, 2000 SCE&G accepted the terms of the referenced Ordinance, thereby making the effective date of same on November 1, 2000; and

WHEREAS, in light of today's economy and the current need for increased Town revenues, in addition to increased demands for the use of the public right of ways and costs associated therewith, Mount Pleasant Town Council *hereby makes the following findings*: 5% is a reasonable utility fee, it is in the best interests of the Town of Mount Pleasant and both electric utilities in the Town for the Town to address electric utility fees in a uniform manner, and it is also now in the best interests of the Town of Mount Pleasant to increase current electric utility fees from 3% to 5%; and

Whereas, on August 12, 2008 Mount Pleasant Town Council held a public hearing on a proposed Franchise Fee increase from 3% to 5% relative to both electric utilities in the Town; and

WHEREAS, pursuant to Paragraph A of Section 9 of the SCE&G Franchise, written notice of the Town's intention to increase the Franchise Fee percentage from 3% to 5% was provided to SCE&G; and

WHEREAS, in addition to the referenced percentage increase, SCE&G desires to include gas service and sales for payment to the Town, and the Town herewith finds that the same is also in the best interests of the Town of Mount Pleasant; and

WHEREAS, in order to increase the Franchise Fee amount *and* add a provision for the payment of *gas* service and sales, Mount Pleasant Town Council further finds that it is necessary and proper to pass this Ordinance addressing the same, therewith amending the SCE&G Franchise.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Councilmembers of the Municipality of Mount Pleasant, in Council assembled, that Paragraph A of Section Nine (9) of the SCE&G Franchise which is, in fact, Mount Pleasant Ordinance No. 00055, shall be and is hereby amended by increasing the Franchise Fee therein from 3% to 5% *and* adding a provision for the payment of “gas” service and sales, to specifically now read as follows:

Section 9

A. As payment for the right to use the streets and public property within the Town to provide electric and gas service, and such other services as may be permitted in the succeeding calendar year, the Company shall pay into the treasury of the Town, on or before the first day of July each year, beginning with the year 2009, a sum of money equal to Five Percent (5%) of the gross revenue accruing to the Company from all residential, commercial, general service (excluding industrial), farm, church, and school classes of electric and gas sales and/or distribution of electricity in the municipality during the preceding calendar year and all wheeling, transportation, or distribution service to such customers within the corporate limits of the Town, not including gas sales made under legally authorized special sales programs which allow the Company to reduce prices to meet customers' competitive energy prices. The franchise fee percentage and the class of customer sales to which the percentage applies (excluding industrial) may be changed by the Town Council by amendment to this Ordinance upon one hundred twenty (120) days written notice to the Company; however, the franchise fee shall not exceed five percent (5%) unless it exceeds that amount by operation of the Non-Standard Service financing provisions of Section 14 hereof. The Town shall have the right, on request, to be provided

information relating to energy sales and revenue within the municipal limits to determine the accuracy of franchise fee payments.

(Paragraphs B through E under this Section shall remain the same, along with all other provisions of the SCE&G Franchise/Mount Pleasant Ordinance No. 00055.)

THE TERMS OF THIS ORDINANCE SHALL BE EFFECTIVE ON JANUARY 1, 2009.

SIGNED, SEALED AND DELIVERED THIS 9th DAY OF December, 2008.

Harry M. Hallman, Jr.
Harry M. Hallman, Jr., Mayor
Town of Mount Pleasant

ATTEST:

Barbara A. Ashe
Barbara A. Ashe
Clerk of Council

December 9th, 2008
Mount Pleasant, SC

Introduced: November 11th, 2008
Final reading: December 9th, 2008

APPROVED AS TO FORM:

R. Allen Young
R. Allen Young
Town Attorney

ACCEPTANCE OF THE FRANCHISE AMENDMENT granted by the within Ordinance acknowledged and agreed to by South Carolina Electric & Gas Company on this 22nd day of December, 2008, effective on January 1, 2009.

ATTEST:

By: Gene Chayer
Secretary

SOUTH CAROLINA ELECTRIC
AND GAS COMPANY:

By: J. Allen Gressam
Its: Vice President

APPROVED AS TO LEGALITY AND FORM
12/16/08
<u>Am</u>